



KING OCEAN SERVICES ®

To Our Valued Customers, Agents, and Trade Partners:

King Ocean wishes to address the proposed action by the United States Trade Representative (U.S.T.R.) in relation to the Section 301 investigation into potential unfair trade practices and actions by the People's Republic of China regarding Chinese-built vessels in the global ship-building and maritime transportation sectors. The current proposed action calls for a fee of up to \$1.5 million per entry of any Chinese-built vessel to any U.S. port and/or additional fees for ship operators that have fleets with any Chinese-built vessels in them.

First and foremost, we would like to assure you that we are working hard on this on various fronts, and we encourage all our customers, agents, and trade partners – both domestic and abroad – to join our call to advocacy. Research shows that there are far-reaching implications at stake for the stability and development of the South Florida economy, and especially the import/export sector in which we operate. We believe U.S. interests in the trade routes of the Caribbean, Central American, and South American markets would also suffer. The proposed fees would certainly increase shipping costs, disrupt trade routes, harm businesses and tens of thousands of jobs, and ultimately stifle growth in a region where international trade is the backbone of the economy. Please be assured that we are doing all we can to protect your interests and ours.

As background: King Ocean currently operates a fleet of 23 vessels, seven of which are Chinese built. These vessels are exclusively used in the Americas; as our niche carrier book of business is concentrated only on trade to and from South Florida, the Caribbean, and Central- and South- America. King Ocean also operates six American-built vessels in our fleet, and although we support a return to American shipbuilding, and we are clear that new American vessels would be a wonderful development to our trade – that is not possible right now. Any American vessel capacity able to replace the current regional shipping fleet is still decades away. The proposed action would not be able to change these realities and instead would harm U.S. businesses and consumers without having any effect on the number of American-built vessels available to us in the trade for years to come.

On March 24 and 26, our executives and representatives attended in-person hearings in Washington, D.C. on the proposed action, and we have respectfully asked the Administration to carefully consider the certain harm that these fees would inflict on South Florida, the surrounding region, and the United States economy at-large. We have also asked the U.S.T.R. to consider these implications, and we continue to ask the U.S.T.R. for exemptions to the proposed action for companies operating under conditions such as ours and our local competitors' and/or to reconsider the proposal entirely. In doing so, we can continue to foster an environment where small, home-grown American businesses can thrive; international trade can remain efficient; and South Florida can maintain its standing as a critical gateway for both regional and global commerce.

Please reach out to us for any further comments or questions you may have.

Respectfully,

King Ocean Services

For more information please check our website: www.kingocean.com or call Customer Service at:
Miami: 305.591.7595